

State Dept. declassification & release instructions on file

Approved For Release 2001/12/05 : CIA-RDP91-00682R000300090136-3

~~CONFIDENTIAL~~
Security Information

PRELIMINARY DRAFT

March 10, 1953

CONFIDENTIAL MEMORANDUM

TO THE MEMBERS OF EDAC

REGARDING: EAST-WEST TRADE CONTROLS

Senator McCarthy, Chairman of the Senate Permanent Subcommittee on Investigations, has made certain requests for information with reference to East-West trade. He directed his request to me as Administrator of the Battle Act, and his Chief Counsel, Mr. Francis Flanagan, has been discussing the situation with my staff and they in turn have been in touch with members of your staff.

Much of the information which he has requested is classified information, and none of it is in intelligence reports of ONI. It also includes pictures taken by our naval search planes of ships en route to Chinese communist ports. The registry of ships engaged in the trade and the chartering thereof are also involved.

I have already delivered to the committee certain non-classified information, including a tabulation reflecting ship calls at communist ports which are listed in newspapers, such as the Hong Kong Press and the Lloyd's reports in London. Your staff has been kept informed of this.

Senator McCarthy's Counsel has expressed assurance that they would respect the classification on material they asked for which is of a classified nature.

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After careful reflection and more exploratory conferences on the staff level between agencies, it is my tentative view, subject to your own comment and suggestions, that the matter be handled in this manner:

1. I will advise Senator McCarthy of our wish to cooperate thoroughly with his committee in presenting pertinent facts affecting East-West trade.
2. With advance notice to all departments concerned, we will transmit to Senator McCarthy any information he requests which is of a non-classified nature.
3. As to information he requests which is contained in classified material, the source department will be asked to prepare, in so far as possible, a non-classified document reflecting, to the degree that it can do so, the desired information.
4. Mr. Flanagan, Counsel of the Committee, will be given the permission to come to the source agency for classified material, and within that agency, except for very sensitive matters, will be permitted to review the classified reports, such as ONI reports, so as to satisfy himself that the non-classified report which has been prepared in the pertinent field correctly reflects the situation.
5. In so far as feasible, non-classified pictures will be prepared from the classified pictures. The non-classified pictures will be turned over to the committee, with the same privilege of comparison within the source agency extended to Mr. Flanagan as in paragraph 4 above.
6. No classified documents or pictures will be delivered to the committee, or to Mr. Flanagan for the committee, except for the

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temporary process of comparison with non-classified information and this be done only within the source department and to be limited at the discretion of the source department so as not to include especially sensitive material.

I would appreciate your advice as to whether this policy is satisfactory.

You will realize, of course, that I am endeavoring to balance in a manner consistent with the best national interests of our country the inter-connected questions of our relations to the Congress, our relations to other free countries, the importance of intelligence information, and the future success of the effectiveness of the administration of the Battle Act itself.

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CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO		INITIALS	DATE
1	<i>Legislative Personnel</i>		
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APPROVAL
 ACTION
 COMMENT
 CONCURRENCE

INFORMATION
 DIRECT REPLY
 PREPARATION OF REPLY
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SIGNATURE
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 FILE

REMARKS:

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